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DCI/IC 1529-74

20 August 1974

MEMORANDUM FOR THE RECORD

SUBJECT: FY 1975 KEP Re-Design

1. This memo provides some initial thoughts on procedures for the FY 1975 KEP, assuming the FY 1974 KEP pilot program will undergo revision for the FY 1975 community performance evaluation.

2. FY 1975 BASELINE REPORT. The NIOs will prepare a brief report that reviews the community's collection and production planning for each KIQ. Instead of going through the FY 1974 procedure for baseline reporting, it has been suggested that the FY 1975 NIO reports serve as individual KIQ baseline reports. In this case an aggregate baseline report could be prepared by PRD. Without explicit baseline instructions (or at least a common report outline) it is difficult to see how a useful aggregate baseline report can be prepared. If, conversely, each NIO had a common methodology (a la KEP) for preparing their reports then perhaps an aggregate report would be of value.

3. FY 1975 PERFORMANCE REPORT. At the end of the fiscal year a report on each KIQ is to be prepared that recapitulates and evaluates community (and agency) performance. Both the ICS and the NIOs have a role in this process. In general, the ICS will obtain the necessary performance cost data (and possibly other quantitative data) from the community while the NIOs will assess in qualitative terms community performance against each KIQ.

NIO Role

- Qualitatively analyze information gained during the fiscal year (i.e., does gain answer the question? too much? not enough?)

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- . Analyze production effort (i.e., adequate analysis? problems?)
- . Analyze collection effort (i.e., adequate? problems? too much?)
- . Evaluate consumer satisfaction
- . Suggest KIQ reformulation (i.e., eliminate, revise, add new KIQ)

ICS Role

- . Obtain cost data for performance effort against each KIQ (use FY 1974 KEP procedure or go straight to PM)
- . Production costs - by Agency
- . Collection/processing costs - by Program
- . Provide aggregate analysis of KIQs using cost data plus qualitative assessments provided by NIOs. PRD would provide aggregate analysis of individual NIO performance reports.
- . Provide community performance assessment (an ICS/NIO combined paper?)

4. The conclusions drawn from the aggregate analysis then would be used to influence resource allocation recommendations set forth in the FY 1976 NFIBR.

5. Accuracy of Cost Data. Attention must be given to determining how much accuracy in KIQ performance cost data is required to support meaningful resource review and decisions. Cost data can be obtained using a highly structured methodology or a more permissive methodology. In the first case one would envision a KEP-like procedure where direct production and collection costs would be required from the various contributing agency/components. This procedure is designed to obtain costs per KIQ. The second case envisions a more simple and direct procedure. That is, the Program Managers would be asked to simply provide a management estimate of costs expended on the KIQs--not on a per KIQ basis. Perhaps this simplified approach would result in less accurate data but the procedure for obtaining the data would be less cumbersome. How much accuracy in

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the cost data would be gained by using a more explicit KEP-like methodology for acquiring the cost data? The answer is not apparent but will depend on something like the results of an in-depth audit trail study on the costs for production/collection against a single KIQ. For example, an audit trail "post mortem" evaluation of one of the pilot program KIQs may provide valuable insight into the question of cost data accuracy.

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